UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
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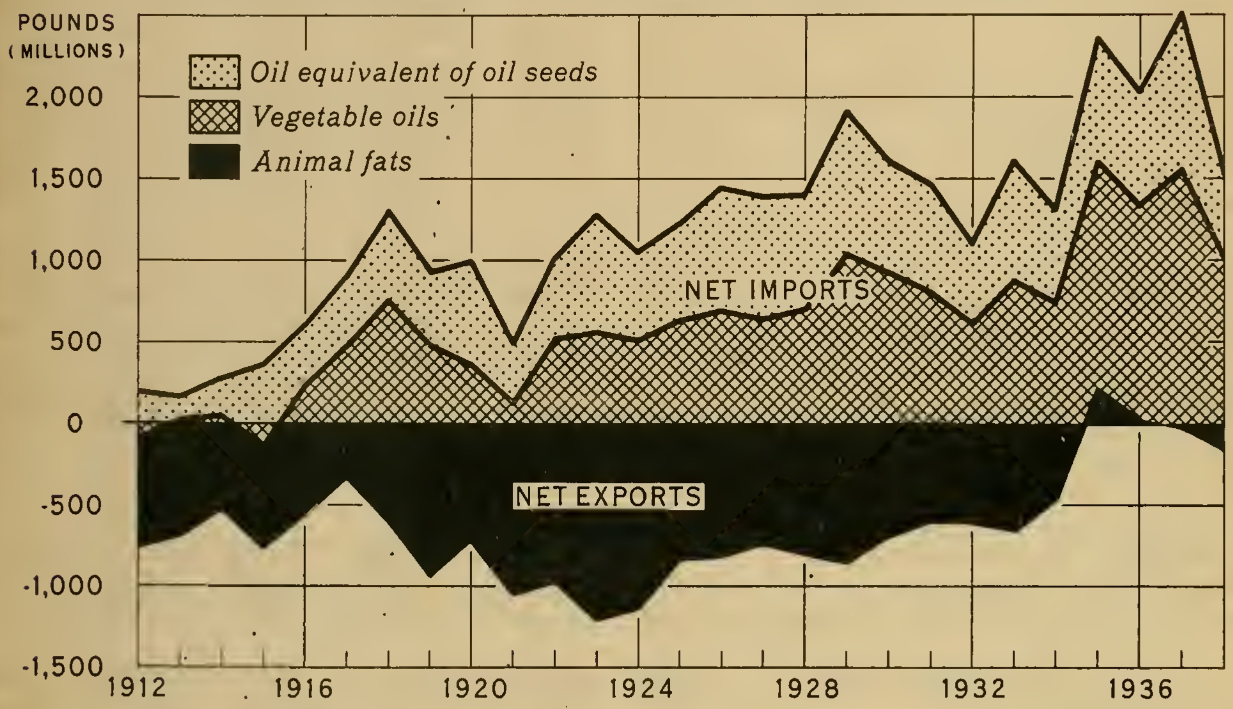
THE FATS AND OILS SITUATION

NET TRADE IN ANIMAL FATS, VEGETABLE OILS, AND OIL EQUIVALENT OF OIL SEEDS, 1912 TO DATE



U. S. DEPARTMENT OF AGRICULTURE NEG. 32766 BUREAU OF AGRICULTURAL ECONOMICS

Prior to the World War, the United States was on an export basis as to fats and oils, principally lard. There were net imports of animal fats in the years 1935 and 1936, for the only time in history. In 1938 exports of lard increased, and imports of cottonseed and marine oils, palm-kernel oil and flaxseed showed material decreases, making total net imports of all fats and oils more than a billion pounds less than in 1937.

Table 1.- Price per pound of specified fats and oils, December 1937-38, January 1938-39

Fat or oil	Dec. 1937	Average 1937	Jan. 1938	Dec. 1938	Average 1938	Jan. 1939
	Cents	Cents	Cents	Cents	Cents	Cents
Domestic prices -						
Butter, 92 score, N.Y.	38.89	34.39	33.71	28.02	27.97	26.29
Oleomargarine, domestic vegetable, Chicago .	15.50	15.77	15.50	14.75	15.48	14.50
Lard, prime, steam, Chicago	8.27	11.33	8.34n	6.72	8.03	6.60n
Lard refined, Chicago	9.78	12.67	10.06	7.94	9.20	7.72
Lard compound, Chicago	10.45	12.42	10.25	9.56	10.17	9.25
Coconut oil, edible, N.Y.	6.25	8.53	6.50	4.28	5.38	4.25
Cottonseed oil, crude, fob SE mills	5.94	8.01	6.17	6.42	6.71	6.00
Cottonseed oil, psy, N.Y.	7.10	9.20	7.40	7.40	7.90	
Soybean oil, refined, N.Y.	8.39	10.90	8.56	7.90	8.44	7.70
Peanut oil, domestic refined, N.Y.	10.00n	12.14n	10.00n	10.12	10.20	9.88
Rape oil, refined, N.Y.	12.07	12.27	12.06	10.83	11.03	10.82
Oleo oil, No. 1, N.Y.	12.10	13.06	9.75	8.70	9.12	8.25
Oleostearine, bbls., N.Y.	8.12	9.73	7.62	6.91	7.18	6.78
Corn oil, refined, N.Y.	9.35	11.47	9.28	9.34	9.75	9.31
Olive oil, edible, N.Y.	31.33n	31.88n	31.33	25.07	26.02	25.07
Teaseed oil, crude, N.Y.	9.12	10.79	8.84	8.36	7.81	8.94n
Coconut oil, crude, Pacific Coast	3.67	5.96	3.83	2.79	3.14	2.68
Tallow, inedible, Chicago	5.08	7.51	5.31	5.14	5.03	5.12
Grease, house, N.Y.	4.49	7.40	5.05	5.04	4.67	4.94
Palm oil, crude, N.Y.	4.00n	5.65	4.25	3.68	3.83	3.68
Olive oil foots, bbls., N.Y.	9.75	11.10	9.34	7.15	8.05	7.18
Palm-kernel oil, denatured, N.Y.	4.50n	5.99	4.25n	3.37n	3.91	3.40n
Babassu oil, tanks, N.Y.	6.76	1/8.88	6.86	6.12n	6.44	6.31n
Sardine oil, tanks, Pacific Coast	4.93	6.00	5.48	4.09n	4.70	3.88
Linseed oil, raw, Minneapolis	10.00	10.33	10.00	8.34	8.74	8.30
Tung oil, drums, N.Y.	14.85	15.70	15.56	14.98	13.52	15.44
Perilla oil, drums, N.Y.	11.52	12.10	11.31	9.75	10.42	9.78
Soybean oil, crude, fob mills	5.25	8.13	5.75	5.14	5.59	4.97
Menhaden oil, crude, fob Baltimore	4.81n	5.22	5.00n	4.11n	4.35	4.27n
Foreign prices - 2/						
Cotton oil, crude, naked, Hull	4.30	5.83	4.35	3.94	4.04	2/3.87
Copra, Resecada, P.I.	1.68	2.95	1.80	3/1.20	3/1.38	-
Palm oil, crude, Hull	4.84	6.00	4.88	3.54	3.96	2/3.61
Whale oil, crude, No. 1, Rotterdam	3.75	4.68	3.79	2.71	3.13	2/2.73
Tallow beef, fair-fine, London	4.80	5.77	4.80	4.01	4.31	2/4.01
Linseed oil, naked, Hull	6.27	6.46	6.40	4.82	5.30	2/4.87

1/ Futures.

2/ Converted to U.S. cents per pound at current monthly rates of exchange.

3/ Preliminary.

THE FATS AND OILS SITUATION

(This issue of the Fats and Oils Situation presents preliminary summary tables of statistics of production, imports, exports, and stocks of primary fats and oils for the calendar year 1938, with comparisons of a few earlier years.)

Preliminary estimates indicate that domestic production of fats and oils from domestic and imported materials during 1938 was the largest since 1929. Domestic production from domestic and imported materials totaled more than 8.5 billion pounds. The increase over the 8 billion pounds produced in 1937 was due almost entirely to increased production of domestic materials, inasmuch as there was a reduction in imports of most raw materials for oil manufacture.

The increase in production and stocks during the past 2 years is attributed in large part to the increase in production of the vegetable fats and oils. Domestic production and imports of these products in 1937 were the largest on record; and in the second half of that year the recession in business resulted in decreased consumption. Thus, at the beginning of 1938, stocks of all fats and oils and of raw materials for their production were larger than any on record except in December 1933.

Production continued to increase in 1938. And though fats and oils prices were markedly lower than in 1937 and imports were about 1 billion pounds less, total stocks on December 31 were even larger than at the beginning of 1938. The December 31 stocks were the largest ever reported (See table 7).

Prices

Prices of all fats and oils averaged slightly lower in January 1939 than in December 1938, and much lower for the year 1938 than for 1937. In January 1939, butter was more than 6 cents a pound lower than a year earlier and more than 1.5 cents per pound lower than in December 1938. Crude cottonseed oil was four-tenths of a cent lower in January 1939 than in December 1938, and averaged 1.3 cents lower for the year 1938 than in 1937. Crude coconut oil averaged 2.8 cents lower for the year. Other oils showed similar reductions in price.

Imports and exports

Imports of fats and oils increased from around 1.3 billion pounds in 1932 to more than 2.7 billion in 1937. This increase was due in part to reduced production in this country and the reduction in accumulated stocks, and in part to an improvement in demand resulting in increased consumption and higher prices.

The year 1937 was the third consecutive year that total net imports passed the 2 billion-pound mark, whereas in the depression year of 1932 total net imports were a little more than 500 million pounds and in the boom year of 1929 reached 1,068 million pounds.

Preliminary estimates of imports of fats and oils in the calendar year 1938 indicate that net imports of all vegetable oils plus average oil equivalent of imported oleaginous raw materials totaled about 1,694 million pounds, or about 850 million pounds less than in 1937 - the record year. Exports and shipments of lard totaled 234 million pounds, and imports of other animal fats were low, therefore net exports of all animal fats totaled about 167 million pounds. This makes a grand total of about 1.5 billion pounds of net imports of all vegetable and animal fats and oils and oil equivalent of raw materials in 1938, compared with about 2.5 billion pounds in 1937. The major part of the decrease was in flaxseed, palm-kernels and oil, palm, cottonseed, and tung oils, and marine animal oils. Decreases were also shown in imports of sesame seed, perilla, rape, and sunflower oils, and tallow. Imports of flaxseed in 1938 were only about half the imports in 1937. Imports of coconut oil and oil equivalent of copra in 1938 were the largest since 1933.

Cottonseed oil

Cottonseed oil production in the calendar year 1938 was somewhat larger than in the calendar year 1937, because a considerable portion of the cottonseed from the enormous cotton crop of 1937 was crushed during the first half of 1938. Imports of cottonseed oil in 1938 totaled only 83 million pounds compared with over 200 million pounds imported in 1937. But consumption was less, and in spite of the reduced imports and the smaller cotton crop of 1938 stocks of cottonseed oil, in terms of crude oil, plus the approximate oil equivalent of cottonseed on hand were practically the same in December 1938 as in December 1937.

Prices of crude cottonseed oil, f.o.b. S. E. mills averaged 6.71 cents per pound in 1938 compared with 8.01 cents in 1937.

Other domestic vegetable oils

The production of soybean oil, corn oil, and peanut oil in 1938 was the largest on record. Stocks were larger at the end of the year, and prices throughout 1938 averaged considerably lower.

Lard

Lard production under Federal inspection in the calendar year 1938 is reported at 1,076 million pounds compared with 787 million pounds in 1937. Estimates of production other than federally inspected will not be available for several weeks, but on the basis of past relationships a total production of somewhere near 1.7 billion pounds may reasonably be assumed.

Exports of lard, including shipments to non-contiguous territories, in 1938 totaled 234 million pounds, the largest quantity exported since 1934.

Prices of lard averaged more than 3 cents a pound lower in 1938 than in 1937, and 2 cents a pound lower than the average price of compounds and vegetable cooking fats.

Marine animal oils

Production of whale and fish oils under the American flag was somewhat lower in 1938 than in 1937. Imports were considerably lower, but stocks at the end of the year were the largest for that date in recent years.

Table 2.-Production of fats and oils from domestic and imported materials, calendar years 1934-38

Item	1934	1935	1936	1937	1938 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Cottonseed oil	1,224	1,184	1,247	1,626	1,683
Coconut oil	297	253	258	267	287
Soybean oil	35	105	225	194	322
Corn oil	115	100	127	127	135
Peanut oil	47	45	70	51	77
Castor oil	42	47	65	69	52
Sesame oil	9	65	51	5	3
Babassu oil	----	2/ 10	38	33	30
Palm-kernel oil 2/	4	23	12	40	14
Other 3/	7	28	25	2	3
Linseed oil	371	502	456	665	441
Butter	2,253	2,184	2,152	2,132	(2,297)
Lard	2,072	1,267	1,673	(1,434)	(1,730)
Tallow, inedible 4/	745	442	608	625	762
Grease	343	259	308	301	322
Marine animal oil 5/	226	240	301	268	243
Edible fat 6/	197	194	249	199	231
Inedible fat 7/	12	16	13	13	9
Total	7,998	6,961	7,880	8,051	(8,641)
Total, excluding lard and butter	3,673	3,510	4,053	4,485	4,614

1/ Preliminary.
2/ Oil equivalent of imported seed.
3/ Includes rape, olive edible, kapok, hempseed, perilla, and mustard oils when reported. Does not include unnamed miscellaneous items.
4/ Estimates, based on factory consumption, trade, and stocks.
5/ Marine mammal, fish, and fish-liver oils.
6/ Includes oleo oil, oleostearine, oleo stock, and edible tallow.
7/ Includes wool grease and neatsfoot oil.

Factory production, Bureau of the Census, Animal and Vegetable Fats and Oils, except as otherwise noted.

Items have been rounded to "million pounds" without adjustment to totals.

Figures in parentheses are rough preliminary estimates.

Table 3.-Imports and exports of primary fats and oils, United States, 1934-38

(Net exports are indicated by a minus sign)

Imports and exports	1934	1935	1936	1937	1938 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Imports					
Animal	110	364	194	157	90
Vegetable					
Oil	789	1,432	1,365	1,585	1,033
Oil equivalent of raw material	572	768	704	998	705
Total imports	1,471	2,564	2,263	2,739	1,827
Exports					
Animal	566	155	175	185	257
Vegetable					
Oil	45	23	27	24	20
Oil equivalent of raw material	-	13	16	11	22
Total exports	611	191	218	220	299
Net imports or net exports					
Animal	- 456	209	19	- 28	- 167
Vegetable					
Oil	744	1,410	1,337	1,560	1,012
Oil equivalent of raw material	572	755	688	987	682
Total net imports	860	2,373	2,045	2,519	1,528

1/ Preliminary.

It should be noted that the above totals are for primary fats and oils reported separately and do not include items reported by the Bureau of Commerce as "other".

For earlier years see table 9 in United States Department of Agriculture Statistical Bulletin, No. 59.

Table 4.- Imports of fats and oils and oilseeds (oil equivalent) imported for crushing, 1931-38

Item	1931	1932	1933	1934	1935	1936 1/	1937 1/	1938 1/
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb
Animal:								
Marine animal 2/	144	95	96	59	79	94	123	85
Tallow 3/	1	1	-	43	246	78	15	1
Butter	2	1	1	1	23	10	11	2
Wool grease	5	4	4	5	6	7	5	2
Oleostearine 4/	2	1	-	2	11	5	4	-
Total animal	154	101	102	110	364	194	157	90
Vegetable oils:								
Palm oil	258	217	287	156	298	339	411	271
Coconut oil	325	249	316	315	353	322	337	364
Copra (oil equivalent)	289	286	416	252	286	229	339	323
Coconut oil and copra	614	535	732	567	639	551	676	687
Cottonseed oil	-	-	-	5/9	6/177	6/136	6/207	83
Rape oil	11	7	12	7/(20)	60	63	6	6
Rapeseed (oil equivalent) ..					(7)	(6)	-	
Rapeseed oil and rapeseed 8/	11	7	12	7/(20)	(67)	(69)	6	
Olive oil, edible	70	74	72	56	71	61	48	71
Peanut oil	15	1	1	3	81	49	53	16
Corn oil			9	11	26	29	33	22
Sesame oil	-	-	-	-	-	3	39	7
Sesame seed(oil equivalent).	63	9	19	10	66	53	5	3
Sesame oil and sesame seed	63	9	19	10	66	56	44	10
Babassu nuts (oil equivalent) 9/					(10)	36	35	32
Soybean oil	5	-	4	3	14	10/4	22	3
Teaseed oil					7	8	27	12
Sunflower oil	28	12	28	18	37	25	-	-
Palm-kernel oil	23	2	13	13	59	20	139	3
Palm-kernels (oil equivalent)	16	13	7	4	23	12	40	14
Palm-kernel oil and palm kernels	39	15	20	17	81	33	179	17
Castor oil	-	1	1	-	-	-	1	-
Castor beans(oil equivalent)	43	35	48	39	32	69	62	48
Castor oil and castor beans	43	36	48	39	33	69	62	48
Olive oil, inedible	12	12	13	10	20	12	5	5
Olive oil foots	37	46	40	36	34	17	22	22
Linseed oil	-	-	11	3	2	1	-	-
Flaxseed(oil equivalent)	268	146	255	262	325	284	518	284
Linseed oil and flaxseed .	268	146	267	265	327	285	518	284
Tung oil	79	76	119	110	120	135	175	107
Perilla oil 11/	13	17	23	26	73	119	44	32
Hempseed (oil equivalent) 9/ 12/				(2)	(17)	(14)	-	-
Other vegetable oils and oilseeds 13/	1	-	1	-	3	6	13	7
Total vegetable oils	878	716	951	789	1,432	1,350	1,585	1,033
Total oil equivalent of oilseeds	679	489	746	572	768	704	998	705
Grand total	1,710	1,306	1,799	1,471	2,564	2,248	2,739	1,827

Continued -

Table 4.- Imports of fats and oils and oilseeds (oil equivalent) imported for crushing, 1931-38 - Continued

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1/ Preliminary.
2/ Marine mammal, fish, and fish-liver oils.
3/ Edible and inedible not separately reported prior to April 1936.
4/ Includes oleo oil.
5/ Reported as edible.
6/ Crude and refined converted to crude basis.
7/ Estimated imports of rapeseed oil, based on stocks in bonded warehouses.
8/ Imported seed have been mostly used for planting. No crushings of rapeseed have been reported, but it is known that some was crushed in 1935 and 1936. Estimates of 7 million pounds in 1935 and 6 million pounds in 1936 are based on the excess of imports over previous averages.
9/ Includes less than 500,000 pounds imported oil.
10/ Excludes free for export, beginning 1936.
11/ Includes 1 million pounds oil equivalent of imported perilla seed in 1934, 1935, and 1936.
12/ Reported factory consumption. Prior to 1934 hempseed was used largely for purposes other than crushing. See Statistical Bulletin No. 59.
13/ Includes oiticica, kapok, and cashew nut shell oils, vegetable tallow, and kapok seed and oil equivalents of crushings of mustard seed. Does not include miscellaneous unnamed items. It is believed that imported poppy seed is not crushed in the United States. Imports of cottonseed are negligible.

Leaders (-) indicate less than 500,000 pounds or not separately reported.

Items have been rounded to "million pounds" without adjustment as to totals.

Oilseeds have been converted into oil equivalents, using the following conversion factors: copra 63 percent, rapeseed 35 percent, palm kernels 45 percent, flaxseed 33 percent, castor beans 42 percent, sesame seed 45 percent, babassu nuts 63 percent, hempseed 24 percent, kapok seed 18 percent, perilla seed 37 percent, and mustard seed 23 percent.

Imports for consumption beginning 1934. Prior to 1934 general imports or imports for consumption as available. See Statistical Bulletin No. 59.

Compiled from Foreign Commerce and Navigation of the United States, and Monthly Summary of Foreign Commerce.

Table 5.- Exports of fats and oils, 1931-38

Item	1931	1932	1933	1934	1935	1936	1937 1/	1938 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Coconut oil 2/	18	24	26	25	12	18	9	7
Soybean oil	5	3	2	2	4	4	6	6
Cottonseed oil 2/	24	57	36	15	4	3	8	5
Other 3/	3	2	2	2	2	3	2	2
Total	49	85	66	45	23	27	24	20
Lard 4/	601	576	612	458	115	137	163	234
Inedible fat 5/	78	59	77	63	19	17	7	5
Edible fat 6/	65	60	56	38	14	15	11	9
Butter 4/	7	6	7	7	6	6	6	8
Total	750	701	751	566	155	175	186	257
Grand total	799	786	817	611	178	202	210	277

1/ Preliminary.
2/ Crude plus refined in terms of crude.
3/ Includes corn, castor, and linseed oils.
4/ Exports, including shipments to noncontiguous territory.
5/ Grease, inedible tallow, neatsfoot oil, and marine animal oil.
6/ Oleo oil, oleostearine, oleo stock, and edible tallow.

Table 6.- Exports of soybeans as beans and in terms of oil equivalent, 1931-38.

Item	Unit	1931	1932	1933	1934	1935	1936	1937 1/	1938 1/
Soybeans	Thou. bu.	133	4,223	256	19	1,570	1,920	1,271	2,645
Oil equivalent	Mil. lb.	1	35	2	2/	13	16	11	22

1/ Preliminary.
2/ Less than 500,000.

Table 7.- Fats and oils and oil equivalent of raw materials: Stocks in United States, December 31, 1931-38

Fat or oil, including oil equivalent of raw material	1931	1932	1933	1934	1935	1936	1937 1/	1938 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Cottonseed oil	1,078	1,330	1,387	989	822	985	1,187	1,187
Coconut oil	236	171	275	208	204	90	240	263
Tallow, inedible and grease	254	258	353	400	360	305	271	256
Marine animal oil	239	197	159	242	214	217	216	256
Lard, including neutral	51	41	133	118	53	146	54	107
Linseed oil	223	180	208	148	226	170	252	186
Other 2/	352	319	394	391	496	472	618	698
Total	2,433	2,496	2,909	2,496	2,375	2,385	2,838	2,953

1/ Preliminary.

2/ Includes palm, palm-kernel, tung, perilla, corn, soybean, olive, peanut, castor, rape, sesame, and sunflower oils and raw materials in terms of oil, vegetable tallow, oleo oil, oleostearine, neatsfoot oil, lard compounds, hydrogenated oils, red oil, lard oil, and tallow oil, etc; excludes butter.

In some cases reported stocks include stocks in bonded warehouses not yet reported in imports for consumption.

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Table 8.-Oleomargarine: Production and materials used in manufacture, United States, November, December, and annual, 1937-38

Item	1937 1/			1938 1/		
	Nov.	Dec.	Annual	Nov.	Dec.	Annual
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Oleo oil	650	741	12,278	940	1,009	13,411
Oleostearine	309	286	3,375	262	237	3,282
Lard neutral	160	191	1,748	112	105	1,464
Oleo stock	59	60	1,318	109	117	1,532
Total animal	1,178	1,278	18,719	1,423	1,468	19,689
Cottonseed oil	20,339	20,920	173,617	10,807	10,577	142,858
Soybean oil	2,186	2,948	31,791	4,303	4,198	39,885
Peanut oil	240	228	2,880	246	232	3,593
Corn oil	109	213	1,796	114	135	566
Vegetable stearine 2/	---	---	---	---	---	9
Soybean stearine 2/	---	---	---	7	---	18
Total domestic vegetable 3/	22,874	24,309	210,084	15,477	15,142	186,929
Coconut oil	5,611	6,594	73,806	7,023	7,204	89,520
Palm-kernel oil	383	516	7,946	18	99	4,746
Babassu oil	501	665	14,607	643	615	11,547
Palm oil	---	---	1,063	---	---	---
Sesame oil	---	---	1	---	---	---
Rice oil 4/	---	---	---	---	---	69
Total foreign vegetable 5/	6,495	7,775	97,423	7,684	7,918	105,882
Total fats and oils	30,547	33,362	326,226	24,584	24,528	312,500
Milk	7,037	7,268	72,846	5,838	5,830	72,169
Salt and other misc.	1,878	1,988	19,073	1,366	1,344	18,235
Production of oleomargarine	37,475	40,728	397,267	30,221	30,373	385,020

1/ Preliminary.
2/ May be either foreign or domestic oil. Arbitrarily used as domestic.
3/ Ordinarily domestically produced.
4/ Bureau of the Census; probably oil imported from Japan.
5/ Not domestically produced.

Compiled and computed from Bureau of Internal Revenue records and Internal Revenue Bulletin.